



## DEPARTMENT OF THE NAVY

NAVAL SEA SYSTEMS COMMAND  
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IN REPLY REFER TO

12800  
Ser 09B54/177  
12 Jan 2001

### MEMORANDUM

From: SEA 09B

Subj: REIMBURSEMENT OF PROFESSIONAL LIABILITY INSURANCE  
PREMIUMS

Ref: (a) Public Law 104-204 as amended  
(b) DoN Guidance and Advice Memorandum #81  
(c) 5 USC 7103(a)

1. References (a) and (b) authorized NAVSEA to reimburse managers and supervisors for up to one-half of the cost incurred for Professional Liability Insurance (PLI), up to a maximum amount of \$150 per year. The purpose of this memorandum is to issue guidance to NAVSEA Headquarters and Program Executive Offices (PEOs) on the process which qualified employees should use to request this reimbursement.

2. PLI is defined as liability insurance that covers:

a. Legal liability for managers due to injuries to other persons, damage to their property, or other damage or loss to such other persons, including the expense of litigation and settlement, resulting from or arising out of any tortious act, error, or omission of the covered individual (whether common law, statutory, or constitutional) while in the performance of such individual's official duties as a qualified employee; and

b. The cost of legal representation for the covered individual in connection with any administrative or judicial proceeding (including any investigation or disciplinary proceeding) relating to any act, error, or omission of the covered individual while in the performance of such individual's official duties as a qualified employee, and other legal costs and fees relating to any such administrative or judicial proceeding.

3. Qualified employees eligible to receive reimbursement for PLI are law enforcement officers, as defined in reference (a), and supervisors and management officials, including members of the Senior Executive Service. Military personnel and non-

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appropriated fund (NAF) employees are not covered by reference (a) and are not eligible for reimbursement of PLI expense.

4. The determination that a position qualifies the incumbent as a supervisor or management official is separate and distinct from a position classification determination. It is possible that positions not titled "supervisory" may meet the definition of supervisor or management official for purposes of reimbursement of PLI expense. Supervisors and management officials are defined in reference (c) as follows:

a. A supervisor is an individual employed by an agency who has authority in the interest of the agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline or remove employees, to adjust their grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment.

b. A management official is an individual employed by the agency in a position which has duties and responsibilities which require or authorize the individual to formulate, determine, or influence the policies of the agency.

5. To receive reimbursement of PLI expense, an employee must submit a completed SF-1164, Claim for Reimbursement for Expenditures on Official Business, an invoice from the insurance carrier to verify the cost of the premium, and proof of payment to the Command Human Resources/EEO Division (SEA 09B5). NAVSEA employees can access SF-1164 electronically using FORM FLOW, which should be on each employee's desktop (if not, please contact the SEA OOI Help Desk to have it installed). The line of accounting on the SF-1164 should be left blank as this cost will be centrally funded by SEA 09B.

6. SEA 09B5 will determine eligibility and will forward approved requests to the Command Support Services Office (SEA 09A) for payment processing. Reimbursement of PLI expense will be disbursed via electronic funds transfer. The amount of payment will be determined based upon the cost of the premium as listed on the carrier's invoice and the actual, documented cost paid by the employee. As indicated above, reimbursement will be made for up to one-half of the cost incurred for PLI, up to a maximum of \$150 per year.

7. If an employee requests PLI premium reimbursement and it is determined that his/her position does not meet the applicable

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definition of supervisor or management official so he/she does not qualify for reimbursement, SEA 09B5 will provide the employee with written notification of denial, specifying the reason(s) why it was denied.

8. This benefit became effective on 1 October 1999 but there was no authority for employees to file claims for reimbursement until FY 01. While reimbursement requests may be retroactive, reimbursement is limited to no more than one payment per year for one premium, up to a maximum of \$150. Accordingly, an eligible employee who paid insurance premiums in FY 00 and FY 01 may choose either to submit a claim for the premium paid in FY 00 and continue to be reimbursed a year in arrears, or the employee may choose to dismiss reimbursement for the FY 00 premium altogether and request reimbursement for FY 01 only. Employees who choose to request reimbursement for both FY 00 and FY 01 premiums should request reimbursement for their FY 00 expense now and then request reimbursement for one half of their FY 01 premium after 1 October 2001 (at the beginning of FY 02). Employees making multiple premium payments during the year are strongly encouraged to collect and submit them at one time to ensure that they receive the maximum reimbursement benefit.

9. Addressees are encouraged to make wide distribution of this memorandum within their respective organizations. If you have any questions regarding eligibility, please contact Mr. Michael Toussaint (SEA 09B541) at (703) 607-2500, ext. 529 or via email: [toussaintmj@navsea.navy.mil](mailto:toussaintmj@navsea.navy.mil). For questions regarding payment, please contact Ms. Jeanette Manning (SEA 09A51) at (703) 602-1588 x563 or via email: [manningjl@navsea.navy.mil](mailto:manningjl@navsea.navy.mil).



B. Flynn  
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